



CHATURVEDI & COMPANY

CHARTERED ACCOUNTANTS
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To
The Directors
Khaitan (India) Limited
46C-Jawahar Lal Nehru Road
Kolkata – 700 071

Dear Sirs,

Sub : Limited Review of Quarterly Results in terms of Clause 41 of the Listing Agreement.

We have reviewed the accompanying statement of unaudited financial results of M/s. Khaitan (India) Limited, 46C-Jawahar Lal Nehru Road, Kolkata – 700 071 for the period ended 30th September, 2010 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagement to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of materials misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Management has informed us that *Non Moving Stores have not been valued at replacement cost, accruing gratuity/leave encashment is treated on cash basis which is not in accordance with Accounting Standard – 15 and impact of revised AS 15 has not been taken, and the value of the total employee cost is understated thus overstating the profits by the same amount and working has not been made regarding deferred tax assets / liability and tax expenses as per Accounting Standard – 22 issued by The Institute of Chartered Accountants of India.*

Based on our review *except for non compliance of AS-2, AS-15 & AS-22 as described in the previous paragraph*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Chaturvedi & Company**
Chartered Accountants

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Nilima Joshi
Partner
Mem. No. 52122

Place : Kolkata
Dated : 13th November, 2010

